

May 18, 2010

Board of Commissioners  
Housing Authority of the County of Marin  
3501 Civic Center Drive, Room 325  
San Rafael, CA 94903

**SUBJECT:     Section 8 Project-Based Assistance  
                  For the Proposed Warner Creek Senior Housing Complex in Novato, California**

**RECOMMENDATION:** Approve the award of 13 additional Section 8 project-based vouchers to Eden Housing for a proposed new project for 61 low-income seniors and to authorize the Executive Director to enter into appropriate agreements for the property to receive Project-Based vouchers for at least 15 years and possibly 30.

**SUMMARY:** On January 25, 2005, the Board approved the program description and proposed policies for a Section 8 Project-Based Assistance Program. Congruent with these program requirements, staff issued a Request for Proposals (RFP) in 2008 for participation in the Section 8 Project-Based Assistance Program for new construction projects (referred to as "Type 2" projects). The RFP was published for three consecutive weeks in September, 2008. Proposals were received through September 26, 2008 and the proposal from Eden Housing scored very well during a panel assessment.

As the Eden response was highly rated 27 vouchers were awarded at the Board of Commissioners meeting held September 29, 2009. However, the primary financing strategies for the project have fallen through and Eden is requesting an additional 13 (or more) vouchers as their original proposal response requested 40 vouchers. There is also a new request to maximize the time period for committing the vouchers to at least 15 years and possibly 30. MHA requested a legal opinion (attached) that demonstrates that awarding the vouchers without competition – and extending the timelines - is possible.

The program is designed to provide subsidy rent over a 15-30 year period so that new developments can be constructed with this assurance of funding. With today's proposed units, Marin Housing's project-based assistance now represents over 100 vouchers at five different properties.

**FISCAL IMPACT:** Commits as much as \$12,000,000 in total subsidy assistance to Eden Housing from funding received from HUD each year. This funding would otherwise go to small landlords or to MHA as landlord. MHA will negotiate additional fees to cover added administrative costs.

DAN NACKERMAN  
Executive Director

Attachment: Legal Opinion